Realizing Full Employment: Bold Policy Solutions to Advance Economic Opportunity for All

A WEBINAR
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Realizing Full Employment: Bold Policy Solutions to Advance Economic Opportunity for All

A WEBINAR
HOUSEKEEPING

Use the Questions/Chat box to send a question.

Q & A session @ the end of the webinar.

Video & slides will be made available.
TODAY’S PANELISTS

MEGHA LADWIG
Office of U.S. Senator Tammy Baldwin

MELISSA YOUNG
Heartland Alliance
National Initiatives on Poverty & Economic Opportunity

INDIVAR DUTTA-GUPTA
Georgetown Center on Poverty & Inequality

KALI GRANT
Community Advocates
Public Policy Institute

JULIE KERKSICK
Georgetown Center on Poverty & Inequality

#Opportunity4ALL @NIHeartland
NATIONAL INITIATIVES ON POVERTY & ECONOMIC OPPORTUNITY

We are dedicated to ending chronic unemployment and poverty.

#Opportunity4ALL @NIHeartland
Our National Initiatives

The National Transitional Jobs Network (NTJN)
Black Men Overcoming Barriers & Realizing Employment (B.MORE) Initiative
The National Center on Employment & Homelessness (NCEH)
QUICK POLL
MELISSA YOUNG
Heartland Alliance National Initiatives on Poverty & Economic Opportunity
National Subsidized Employment Program: Historical Precedent & Action

HEARTLAND ALLIANCE
NATIONAL INITIATIVES

@NIHeartland | @_Melissa_Young
#Opportunity4ALL
Heartland Alliance: Implemented, Evaluated, & Advocated for Subsidized Employment & Transitional Jobs

- National Transitional Jobs Network
- Put Illinois to Work: Largest statewide subsidized employment program under ARRA
- Suite of TJ programs serving youth, people returning from incarceration, and many others

@NIHeartland | @_Melissa_Young #Opportunity4ALL
Lessons Learned:
People & Goals Matter

- Design
- Implementation
- Expectations
- Research Questions
Lessons Learned: 
What the Research Tells Us

✓ The benefits can far outweigh the costs
✓ When given the opportunity to work – people take it.
✓ Can increase federal & state revenues/contribute to health of communities
✓ Can reduce recidivism
✓ Can contribute to the success of children
✓ Can positively contribute to the economic health of employers
Where are we at now?
State of the Field

- Programs & initiatives in over **25** states
- Growing national attention from many stakeholders
What can you do?
Program, Policy, & Action

Website:
https://www.heartlandalliance.org/nationalinitiatives/

E-news:

Email:
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@Nlheartland
MEGHAN LADWIG
Office of U.S. Senator
Tammy Baldwin
THE STRONGER WAY ACT

Introduced by Senators Tammy Baldwin and Cory Booker in October 2017

Tax Reform that Rewards Work:
• Earned Income Tax Credit (EITC)
• Child Tax Credit

The Dignity of Work:
• A National Commitment to Transitional Jobs
National policies that promote subsidized employment and similar strategies can help reduce poverty and ensure that people can access and succeed in work.
KALI GRANT & INDIVAR DUTTA-GUPTA
Georgetown Center on Poverty & Inequality
Working to Reduce Poverty: A National Subsidized Employment Proposal

Realizing Full Employment: Bold Policy Solutions to Advance Economic Opportunity for All
Webinar
Wednesday, March 14, 2018

KALI GRANT & INDIVAR DUTTA-GUPTA
GEORGETOWN CENTER ON POVERTY & INEQUALITY
PROPOSING A NATIONAL SUBSIDIZED EMPLOYMENT PROGRAM

OVERVIEW

• National Need for Subsidized Employment

• Subsidized Employment Works: Building Upon Previous Successes

• Program Design + Evaluation

• Estimated Outcomes + Costs

OVERVIEW

• National Need for Subsidized Employment

• Program Goals

• Program Design

• Proposed Estimated Outcomes & Evaluation
Figure 1. U.S. Job Shortage, December 2000-January 2018

Source: Author’s compilation based on Bureau of Labor Statistics, 2018
# BARRIERS TO EMPLOYMENT

Figure 2. Types of Barriers to Employment

<table>
<thead>
<tr>
<th>BARRIER</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Skills and Education</td>
<td>Includes a lack of hard and/or soft skills, educational attainment that is less than a high school degree or equivalent, insufficient formal work experience, etc.</td>
</tr>
<tr>
<td>Health and Disabilities</td>
<td>Includes behavioral health issues (such as mental illness, trauma, and substance use disorder), physical and intellectual disabilities, etc.</td>
</tr>
<tr>
<td>Family Responsibilities</td>
<td>Limited social resources and/or affordable care options or employer discrimination for workers who are pregnant or have care responsibilities for young children, family members with disabilities, elders, etc.</td>
</tr>
<tr>
<td>Criminal Justice System Involvement</td>
<td>Can result in limited access to employment, credit, public benefits, and other crucial needs and services; ongoing legal issues; etc.</td>
</tr>
<tr>
<td>Limited Economic and Social Resources</td>
<td>Includes barriers related to unstable or unaffordable housing, transportation, limited social capital (e.g. professional networks and family and community resources/capacity), etc.</td>
</tr>
<tr>
<td>Demographic and Other Personal Characteristics</td>
<td>Discrimination based on personal factors such as race and ethnicity, age, gender identity, sexual orientation, receipt of public benefits, etc.</td>
</tr>
<tr>
<td>Immigration Status</td>
<td>Includes recent immigrants, especially refugees/asylum seekers; lack of lawful status; English language learners; etc.</td>
</tr>
</tbody>
</table>

Source: [Georgetown Center on Poverty and Inequality](https://www.georgetownlaw.edu/poverty), 2016.
OVERVIEW

• National Need for Subsidized Employment

• Program Goals

• Program Design

• Proposed Estimated Outcomes & Evaluation
PROGRAM GOALS

1) Provide excluded workers chance to work and earn income, gain skills, & access wraparound services

2) Reduce poverty & improve long-term unsubsidized employment & other outcomes

3) Provide marginalized communities with resources to meet needs

4) Provide small businesses & nonprofits chance to test their potential growth by offering time-limited subsidies
OVERVIEW

• National Need for Subsidized Employment
• Program Goals
• Program Design
• Proposed Estimated Outcomes & Evaluation
**PROGRAM STRUCTURE & FUNDING**

- **Two-pronged strategy** to address different needs while targeting specific areas & populations

Figure 3. Proposed Separate but Complementary Grants

<table>
<thead>
<tr>
<th>PROGRAM 1</th>
<th>TYPE</th>
<th>OPERATED BY</th>
<th>ELIGIBLE ENTITIES</th>
<th>ACCEPTANCE CRITERIA</th>
<th>FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROGRAM 1</td>
<td>Formula Grant</td>
<td>DOL</td>
<td>States</td>
<td>Plan specifying how would help areas with above-avg. rates of poverty/joblessness</td>
<td>Separate, but harmonized, federal funding stream with generous federal matching funds</td>
</tr>
<tr>
<td>PROGRAM 2</td>
<td>Competitive Grant</td>
<td>HHS</td>
<td>Municipalities or private, nonprofits</td>
<td>Chosen based on ability to: recruit target group, provide meaningful work, &amp; teach hard/soft skills</td>
<td>Separate, but harmonized, funding stream similar to other competitive grants</td>
</tr>
</tbody>
</table>
ELIGIBILITY

WORKERS
• Must be 18+,
• Eligible to work, &
• Have been unemployed for 60+ days, or have earnings below ½ prevailing minimum wage in past year

EMPLOYERS
• Can be private, public, or non-profit
• Subsidy would:
  – Cover up to 120% of wage costs
  – Be used toward hiring, compensation, & OJT costs
• Program safeguard:
  – Subsidized workers can’t replace unsubsidized or striking workers
Figure 4. Benefit Duration and Labor Market Impact of Rigorously Evaluated Subsidized Employment Programs

▲ weeks (at least 14 – 50) = ▲ likelihood of effectiveness

• Longer-lasting jobs programs appear more likely to raise employment & earnings

Source: Georgetown Center on Poverty and Inequality, 2016.
## PROGRAM BENEFITS & DURATION

<table>
<thead>
<tr>
<th>PAY</th>
<th>PLACEMENT LENGTH</th>
<th>TIME LIMITS</th>
</tr>
</thead>
</table>
| • At least prevailing minimum wage in relevant jurisdiction ($7.25 or greater) | • **9 mo/subsidized job**  
  - Exceptions for training  
  • If participant is unemployed 4 wks post-program:  
    - Can apply for different subsidized job with different employer | • **3 yrs** of subsidized employment programs/5-yr period  
  - Suspended during periods of recession |

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**CENTER ON POVERTY and INEQUALITY**

**GEORGETOWN LAW**

**ECONOMIC SECURITY and OPPORTUNITY INITIATIVE**
EXAMPLE OCCUPATIONS

(Jobs reflect programs included in 2016 GCPI SE Report)

• Legal Work
• Automotive Service/Repair
• Childcare
• Clerk
• Construction

• Customer Service
• Food Service
• Janitorial/Maintenance
• Manufacturing
• Retail
• Administrative Assistant
OVERVIEW

• National Need for Subsidized Employment

• Program Goals

• Program Design

• Proposed Estimated Outcomes & Evaluation
ESTIMATED OUTCOMES

POVERTY REDUCTION

- Would lift almost **1 million** people out of poverty & almost **½ million** out of deep poverty
- Chance of living in poverty would fall by 62% for participating workers

EMPLOYMENT (& other benefits)

- **2.4 million** employed
- **7+ million** members of participating workers’ households benefitted

**Figure 5. Estimated Changes to Poverty Rates Under Proposed National Subsidized Employment Program**

<table>
<thead>
<tr>
<th>POVERTY RATE (SPM)*</th>
<th>CURRENT</th>
<th>UNDER PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>14.3%</td>
<td>14%</td>
</tr>
<tr>
<td>Poverty Among</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants</td>
<td>35%</td>
<td>20%</td>
</tr>
<tr>
<td>Deep Poverty Among</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants (&lt; 50% of Poverty)</td>
<td>14.2%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

*Supplemental Poverty Measure (SPM). Deep poverty is defined as those with poverty levels less than half the SPM threshold.

ESTIMATED COST

EST. COST
• $15.9 billion annually
  – Program size (& cost) could be adjusted easily to reach fewer or more workers

FUNDING FORMULA
• Based on Federal Subsidized Employment Match (FSEM)
BUILDING EVIDENCE & MEASURING SUCCESS

• HHS & DOL would develop:
  – Standard set of operational indicators that grantees required to report quarterly
  – Strategy to ascertain whether program is achieving primary & secondary goals
  – Systematic evaluation agenda focused on program improvement (qualitative & quantitative research)
THANK YOU

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Implementing Subsidized Jobs Programs

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Clarity of Goals and their Relative Priorities

Multiple goals – but be clear about the hierarchy of goals in planning and designing the subsidized employment program (examples)

For Participants:
- Immediate income
- Current labor market experience
- Skill training and/or certification
- Transition to unsubsidized employment
Clarity of Goals and Their Relative Priorities

For Community and Employer Benefit:

- Meeting unmet needs in the community
- Supporting economic development
Critical to Success:

- Real work and treating people as workers, with rights and responsibilities
- Clear expectations and accountability (all ways)
- Protections against exploitation of the subsidized labor or using the subsidies to displace unsubsidized workers
- Third Party monitoring
Critical to Success - continued

- Good supervision and coaching

- Time-limited with chance to continue or return to subsidized job if participant is unable to find unsubsidized work (what the time limit is should depend upon type of program design)

- Work supports and incentives that are available during and beyond the subsidy, if income is still low
Trade Offs

Part of the Reality
Good Resources

Heartland Alliance Transitional Jobs Toolkit
https://www.heartlandalliance.org/nationalinitiatives/field-building/tj-program-development-1/

Georgetown Law Center on Poverty and Inequality – “Lessons Learned from 40 Years of Subsidized Employment Programs”
Questions...?
Next Steps

The webinar recording & slides will be made available to you.

Via email, we’ll try to answer any questions we didn’t have time to address today.
...Check out our (free!) toolkits

WIOA Planning & Implementation Toolkit

Opportunity Youth Employment Toolkit

Employer Engagement Toolkit

Working To End Homelessness Toolkit

Transitional Jobs Programs Toolkit

TANF and Transitional Jobs Toolkit

www.heartlandalliance.org/nationalinitiatives